

Senate File 2040 - Introduced

SENATE FILE _____
BY NOBLE

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to a property assessment adjustment for certain
2 elderly persons, providing a penalty, and including
3 retroactive applicability date provisions.
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
5 TLBS 5163XS 82
6 sc/rj/5

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1 1 Section 1. NEW SECTION. 424A.1 HOMESTEAD ASSESSED VALUE
1 2 ADJUSTMENT == PURPOSE.
1 3 Persons who own their homesteads and who meet the
1 4 qualifications provided in this chapter are eligible for an
1 5 adjustment in the assessed value of their homesteads, as
1 6 provided in this chapter, to prevent an increase in such
1 7 values.
1 8 Sec. 2. NEW SECTION. 424A.2 DEFINITIONS.
1 9 As used in this chapter, unless the context otherwise
1 10 requires:
1 11 1. "Assessed value" means the actual value prior to any
1 12 adjustment pursuant to section 441.21, subsection 4.
1 13 2. "Base assessment year" means the assessment year
1 14 beginning in the base year.
1 15 3. "Base year" means the calendar year last ending before
1 16 the claim is filed.
1 17 4. "Claimant" means a person filing a claim for adjustment
1 18 under this chapter who has attained the age of sixty-five
1 19 years on or before December 31 of the base year and is
1 20 domiciled in this state at the time the claim is filed or at
1 21 the time of the person's death in the case of a claim filed by
1 22 the executor or administrator of the claimant's estate.
1 23 5. "Homestead" means the dwelling owned and actually used
1 24 as a home by the claimant during any part of the fiscal year
1 25 beginning July 1 of the base year, and so much of the land
1 26 surrounding it including one or more contiguous lots or tracts
1 27 of land, as is reasonably necessary for use of the dwelling as
1 28 a home, and may consist of a part of a multidwelling or
1 29 multipurpose building and a part of the land upon which it is
1 30 built. It does not include personal property except that a
1 31 manufactured or mobile home may be a homestead. Any dwelling
1 32 or a part of a multidwelling or multipurpose building which is
1 33 exempt from taxation does not qualify as a homestead under
1 34 this chapter. A homestead must be located in this state.
1 35 When a person is confined in a nursing home, extended-care
2 1 facility, or hospital, the person shall be considered as
2 2 occupying or living in the person's homestead if the person is
2 3 the owner of the homestead and the person maintains the
2 4 homestead and does not lease, rent, or otherwise receive
2 5 profits from other persons for the use of the homestead.
2 6 6. "Household", "household income", and "income" mean the
2 7 same as those terms are defined in section 425.17.
2 8 7. "Owned" means owned by an owner as defined in section
2 9 425.11.
2 10 Sec. 3. NEW SECTION. 424A.3 RIGHT TO FILE A CLAIM.
2 11 The right to file a claim for an assessed value adjustment
2 12 under this chapter may be exercised by the claimant or on
2 13 behalf of a claimant by the claimant's legal guardian, spouse,
2 14 or attorney, or by the executor or administrator of the
2 15 claimant's estate. If a claimant dies after having filed a
2 16 claim for adjustment, the amount of any adjustment shall be
2 17 made as if the claimant had not died.
2 18 Sec. 4. NEW SECTION. 424A.4 CLAIM FOR ADJUSTMENT.
2 19 Subject to the limitations provided in this chapter, a

2 20 claimant may annually claim an adjustment of the assessed
2 21 value of the claimant's homestead for the base assessment
2 22 year. The adjustment claim shall be filed with the county
2 23 assessor between January 1 and February 15 immediately
2 24 following the close of the base assessment year. However, in
2 25 case of sickness, absence, or other disability of the
2 26 claimant, or if in the judgment of the county assessor good
2 27 cause exists, the county assessor may extend the time for
2 28 filing a claim for adjustment through June 30 of the same
2 29 calendar year.

2 30 The county assessor shall notify the department of revenue
2 31 by March 1 of the number of claimants receiving adjustments
2 32 under this chapter and the total amount of the reduced
2 33 assessed values for the base assessment year.

2 34 Sec. 5. NEW SECTION. 424A.5 QUALIFICATION AND ADJUSTMENT
2 35 == MAXIMUM TAX DOLLARS LEVIED.

3 1 1. If the household income qualification specified in
3 2 subsection 2 is met, the assessed value of the claimant's
3 3 homestead in the base assessment year shall be adjusted, but
3 4 not increased, to equal the assessed value, as such assessed
3 5 value may have been adjusted pursuant to this chapter, in the
3 6 assessment year preceding the base assessment year. However,
3 7 if the property tax dollars to be raised by levy against the
3 8 adjusted assessment exceed the property tax dollars raised by
3 9 levy against the property in the fiscal year for which taxes
3 10 were first levied against an adjusted assessment, the
3 11 treasurer shall subtract the difference from the amount due.

3 12 2. A claimant is eligible for an adjustment to the
3 13 assessed value of the claimant's homestead if the claimant's
3 14 household income is twenty-five thousand dollars or less.

3 15 Sec. 6. NEW SECTION. 424A.6 ADMINISTRATION.

3 16 The director of revenue shall make available suitable forms
3 17 for claiming an assessed value adjustment with instructions
3 18 for claimants. Each assessor and county treasurer shall make
3 19 available the forms and instructions. The claim shall be in a
3 20 form as the director may prescribe.

3 21 Sec. 7. NEW SECTION. 424A.7 PROOF OF CLAIM.

3 22 Every claimant shall give the department of revenue, in
3 23 support of the claim, reasonable proof of:

- 3 24 1. Age.
- 3 25 2. Changes of homestead.
- 3 26 3. Household membership.
- 3 27 4. Household income.
- 3 28 5. Size and nature of the property claimed as the
3 29 homestead.

3 30 The director of revenue may require any additional proof
3 31 necessary to support a claim.

3 32 Sec. 8. NEW SECTION. 424A.8 AUDIT == DENIAL.

3 33 If on the audit of a claim for adjustment under this
3 34 chapter, the director of revenue determines the claim is not
3 35 allowable, the director shall notify the claimant of the
4 1 denial and the reasons for it. The director shall not deny a
4 2 claim after three years from October 31 of the year in which
4 3 the claim was filed. The director shall give notification to
4 4 the county assessor of the denial of the claim and the county
4 5 assessor shall instruct the county treasurer to proceed to
4 6 collect the tax that would have been levied on the adjusted
4 7 assessed value in the same manner as other property taxes due
4 8 and payable are collected, if the property on which the
4 9 adjustment was granted is still owned by the claimant.

4 10 Sec. 9. NEW SECTION. 424A.9 WAIVER OF CONFIDENTIALITY.

4 11 A claimant shall expressly waive any right to
4 12 confidentiality relating to all income tax information
4 13 obtainable through the department of revenue, including all
4 14 information covered by sections 422.20 and 422.72. This
4 15 waiver shall apply to information available to the county
4 16 assessor who shall hold the information confidential except
4 17 that it may be used as evidence to disallow the assessed value
4 18 adjustment.

4 19 The department of revenue may release information
4 20 pertaining to a person's eligibility or claim for or receipt
4 21 of the assessed value adjustment to an employee of the
4 22 department of inspections and appeals in the employee's
4 23 official conduct of an audit or investigation.

4 24 Sec. 10. NEW SECTION. 424A.10 FALSE CLAIM == PENALTY.

4 25 A person who makes a false affidavit for the purpose of
4 26 obtaining an adjustment in assessed value provided for in this
4 27 chapter or who knowingly receives the adjustment without being
4 28 legally entitled to it or makes claim for the adjustment in
4 29 more than one county in the state without being legally
4 30 entitled to it is guilty of a fraudulent practice. The claim

4 31 for adjustment shall be disallowed in full and property tax
4 32 shall be levied on the disallowed adjustment at the rate that
4 33 would have been levied but for the adjustment. The director
4 34 of revenue shall send a notice of disallowance of the claim.

4 35 Sec. 11. NEW SECTION. 424A.11 STATUTES APPLICABLE.

5 1 To the extent not otherwise contrary, the provisions of
5 2 sections 425.30, 425.31, 425.32, and 425.37 apply to this
5 3 chapter.

5 4 Sec. 12. STATE FUNDING OF TAX CREDITS AND EXEMPTIONS ==
5 5 INAPPLICABILITY. The provisions in section 25B.7, relating to
5 6 the obligation of the state to reimburse local jurisdictions
5 7 for property tax credits and exemptions, do not apply to
5 8 chapter 424A, as enacted in this Act.

5 9 Sec. 13. APPLICABILITY DATES. This Act applies
5 10 retroactively to January 1, 2008, for assessment years
5 11 beginning on or after that date and to the filing of claims on
5 12 or after January 1, 2009, for adjustments of assessed values.

5 13 EXPLANATION

5 14 This bill provides for an adjustment (freeze) in the
5 15 assessed value of a homestead if the owner is a person who is
5 16 65 or older and whose household income is \$25,000 or less. If
5 17 those qualifications are met, the assessed value of the
5 18 homestead upon which property taxes are levied in a fiscal
5 19 year is the same assessed value as for the previous fiscal
5 20 year. Assessed value is that value prior to any rollback
5 21 being applied.

5 22 The bill provides that the provision in Code section 25B.7
5 23 that requires the state to fund reimbursement for property tax
5 24 credits and exemptions does not apply to the adjustment in
5 25 value provided for in the bill.

5 26 The bill applies retroactively to January 1, 2008, for
5 27 assessment years beginning on or after that date and applies
5 28 to claims filed on or after January 1, 2009, for the
5 29 adjustments.

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